

Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 14393 01 OF 03 100719Z
ACTION STR-07

INFO OCT-01 EA-10 IO-13 ISO-00 AGR-01 STRE-00 EB-08
COME-00 CEA-01 CIAE-00 DODE-00 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 /125 W
-----023605 100738Z /11

R 100618Z AUG 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 0253
INFO USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 01 OF 03 TOKYO 14393

PASS AGRICULTURE AND STR ELECTRONICALLY

E.O. 11652:NA
TAGS: EAGR, JA, MTN
SUBJECT: STATUS OF GOJ MTN OFFERS IN AGRICULTURE

REF: A. STATE 194228, B. TOKYO 14361

1. SUMMARY. IN MEETING WITH MAFF OFFICIALS AUG. 9, ASST.
STR BARREDA AND AGATT WORKED OUT SCHEDULE AD REFERENDUM
FOR MINISTER NAKAGAWA'S WASHINGTON VISIT (REF. B) AND
DISCUSSED POSSIBILITIES FOR IMPROVEMENT JAPANESE
OFFERS IN AGRICULTURE, FOREST PRODUCTS AND FISHERIES.
MAFF SEES NO CHANGE IN SITUATION WHICH LED THEM TAKE
POSITION IN JULY THAT NO IMMROVEMENT POSSIBLE. HOWEVER,
BECAUSE OF MINISTER'S VISIT, THEY ARE WORKING ON LIST OF
PRODUCTS PICKED UP FROM VARIOUS BILATERAL MEETINGS BUT
MAINTAIN THEY ARE CONFUSED ABOUT WHAT REAL U.S. INTERESTS
AND PRIORITIES ARE. THEY EXPECT DIFFICULT NEGOTIATIONS
DURING MINISTER'S VISIT BECAUSE OF CONGRESSIONAL MOOD IN
U.S. AND DIET POSITIONS HERE. GOJ SURPRISED BY LACK OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 14393 01 OF 03 100719Z

RESPONSE ON THEIR FISHERY REQUESTS AND INDICATE PROPOSED
HIGHER DUTY ON CANNED CLAMS COULD HAVE GRAVE CONSEQUENCES
FOR NEGOTIATIONS. BARREDA STRESSED IMPORTANCE OF PROGRESS
IN VIEW OO MOOD IN CONGRESS AND SOUGHT SUGGESTIONS ON
HOW TWO GOVERNMENTS COULD WORK TOGETHER NOW TO ENSURE
REAL PROGRESS IN SEPT., NOTING NEITHER SIDE COULD
AFFORD REPEAT OF JULY IMPASSE. HE ADVISED THAT LIST

MAFF WORKING FROM IS NOT U.S. PRIORITY LIST AND SAID HE WOULD TRY TO SEND SUCH LIST NEXT WEEK IN VIEW OF FACT THERE FINALLY SEEMS TO BE SOME FLEXIBILITY IN GOJ POSITION AND WE SEEM TO HAVE MOVED TO NEW PHASE OF NEGOTIATIONS. MAFF OFFICIALS MAINTAINED THERE IS NO POSSIBILITY FOR IMPROVEMENT OF OFFERS FOR PORK, POULTRY, EGGS, SAWN LUMBER OR FISHERIES. TWO SIDES CONFIRMED THEIR UNDERSTANDING OF U.S. REQUESTS ON CITRUS AND BEEF. END SUMMARY.

2. ASST. STR BARREDA AND AGATT MET WITH JUN SHIMURA, DIRECTOR, INTL. AFFAIRS DEPT., ECONOMIC BUREAU, AND OTHER MAFF OFFICIALS AUG. 9 TO DISCUSS VISIT OF MINISTER NAKAGAWA TO WASHINGTON SEPT. 5-7 AND POSSIBILITIES FOR IMPROVEMENT OF JAPANESE MTN OFFERS IN AGRICULTURE, FOREST PRODUCTS AND FISHERIES. RESULTS OF DISCUSSION ON NAKAGAWA VISIT REPORTED REF B. SHIMURA NOTED THAT GOJ EXPECTING DIFFICULT NEGOTIATIONS DURING VISIT. THERE HAS BEEN NO CHANGE IN DOMESTIC SITUATION WHICH LED TO JAPANESE POSITION IN JULY THAT THERE COULD BE NO IMPROVEMENT IN THEIR OFFERS, BUT MAFF OFFICIALS WORKING VERY HARD BECAUSE OF MINISTER'S VISIT. SCHEDULE IN WASHINGTON VERY TIGHT AND MEETINGS BETWEEN AMB. STRAUSS AND MINISTER ONLY SUFFICIENT FOR THEM TO COVER BEEF AND CITRUS. OTHER PRODUCTS SHOULD BE COVERED IN WORKING (TECHNICAL) SESSION AT STR BETWEEN AMB. WOLFF AND NOBUO IMAMURA, DIR. GEN., ECONOMIC BUR., MAFF. AS NOTED REF B, BARREDA DID LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TOKYO 14393 01 OF 03 100719Z

NOT ACCEPT THIS. HE REFERRED TO DETERIORATING SITUATION IN CONGRESS WITH RESPECT TO JAPAN'S POSITION AND SAID THAT OTHER PRODUCTS MIGHT WELL HAVE TO BE DISCUSSED AT MINISTERIAL LEVEL IF THEY COULD NOT BE RESOLVED AT TECHNICAL SESSIONS. HE SAID NEITHER SIDE COULD AFFORD REPEAT OF JULY IMPASSE AND REQUESTED MAFF OFFICIALS TO SUGGEST HOW WE CAN IMPROVE LIKELIHOOD OF REAL PROGRESS DURING MINISTER'S VISIT.

3. BARREDA SAID THAT FACT THAT MINISTER PLANNED TO VISIT WASHINGTON AND THAT MAFF OFFICIALS WERE WORKING ON PREPARATIONS SEEMED TO BE INDICATION THAT THERE IS NOW POSSIBILITY OF SOME FLEXIBILITY IN GOJ POSITION AND THAT WE SEEM TO HAVE REACHED NEW PHASE IN NEGOTIATIONS. HE SAID THAT IF SHIMURA COULD ASSURE HIM THAT THERE WERE POSSIBILITIES FOR IMPROVED OFFERS ON PRODUCTS OTHER THAN BEEF AND CITRUS, HE COULD GIVE HIM A LIST OF PRIORITIES ON A PERSONAL BASIS AND THAT HE WOULD ATTEMPT TO PROVIDE "CLEARED" LIST NEXT WEEK AFTER HIS RETURN TO WASHINGTON. HE SAID CONSIDERATION OF A PRIORITY LIST MIGHT HELP SHARPEN THE "EXPLANATION" OF PROBLEM AREAS WHICH THE MAFF OFFICIALS WERE TO GIVE HIM IN THIS MEETING. SHIMURA SAID

THAT THERE WAS NOT TIME TO CONSIDER SUCH A LIST NOW AND SUGGESTED MOVING AHEAD TO THE EXPLANATIONS. HE THEN PRESENTED A LIST OF PRODUCTS THAT HAD BEEN MENTIONED IN VARIOUS BILATERAL MEETINGS BETWEEN JUNE 1 AND JULY 25. THE LIST INCLUDED PIGMEAT, POULTRY, EGGS, COTTON SEED OIL, SWEET CORN, MAIZE, GRAIN SORGHUM, PEANUTS, AVOCADOS, GRAPES AND "DRIED GRAPES", WALNUTS, SWEET ALMONDS, PRUNES, SOUR CHERRIES, CANNED FRUITS, GRAPEFRUIT, RIPE OLIVES, PAPAYAS, CRANBERRIES, PROTEIN SUBSTANCES, FISH -- NISHIN TARA, HARD ROE, SALMON, BLUEFIN -- AND WOOD. SHIMURA SAID MAFF WAS WORKING ON THESE PRODUCTS BUT THAT THEY WERE CONFUSED ABOUT WHAT THE U.S. REALLY WANTED BECAUSE DIFFERENT OFFICIALS SEEMED TO HAVE DIFFERENT PRIORITIES. IF U.S.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 TOKYO 14393 02 OF 03 100700Z
ACTION STR-07

INFO OCT-01 EA-10 IO-13 ISO-00 STRE-00 AGR-01 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 /125 W
-----023450 100738Z /11

R 100618Z AUG 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 0254
INFO USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 02 OF 03 TOKYO 14393

REQUESTS AND PRIORITIES FALL WITHIN THIS GROUP OF PRODUCTS, THERE MIGHT BE SOME POSSIBILITIES BUT THAT IF THERE WERE OTHER PRODUCTS, THEN THE MINISTRY'S WORK OVER THE PAST TWO MONTHS HAS BEEN WASTED. CONSIDERATION OF ADDITIONAL PRODUCTS WOULD BE NEXT TO IMPOSSIBLE AT THIS LATE DATE. BARREDA SAID THAT THESE PRODUCTS HAD BEEN MENTIONED BY OFFICIALS AS EXAMPLES BUT THAT THIS IN NO WAY COULD BE CONSIDERED A U.S. PRIORITY LIST. HE POINTED OUT THAT U.S. OFFICIALS HAD GIVEN SUCH EXAMPLES DURING FRUSTRATING BILATERAL SESSIONS AIMED AT GETTING THE GOJ TO MOVE AWAY FROM ITS POSITION THAT NO IMPROVEMENTS IN ITS OFFERS WERE POSSIBLE. HE SUGGESTED MOVING AHEAD TO THE EXPLANATIONS. AFTER HEARING THESE, HE WITHDREW OFFER TO PROVIDE LIST OF PRIORITIES AND SAID HE WOULD TRY PROVIDE OFFICIAL

LIST NEXT WEEK.

4. SHIMURA LED OFF SPECIFIC PRODUCT DISCUSSION BY SAYING THAT GOJ HAD CONSIDERED U.S. TRADE INTERESTS IN RESPONDING TO REQUESTS OF THIRD COUNTRIES AND THAT GOJ SHOULD GET CREDIT FOR TRADE COVERAGE OF \$159 MILLION RATHER THAN ROUGHLY \$50 MILLION THAT RESPONDED DIRECTLY TO U.S. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 14393 02 OF 03 100700Z

REQUESTS. HE SAID U.S. RESPONSE TO JAPAN'S MODEST REQUESTS IN AGRICULTURE HAD BEEN SURPRISING. OF THREE REQUESTS, U.S. HAD RESPONDED ON MACKEREL, HAD IGNORED TUNA AND HAD PROPOSED TO RAISE DUTY ON CANNED CLAMS. IF THIS WAS OUR FINAL RESPONSE, HE SAID, IT WOULD HAVE GRAVE CONSEQUENCES FOR NEGOTIATIONS BECAUSE, I.E., IT WOULD BE IMPOSSIBLE TO EXPLAIN TO DIET IN VIEW OF OFFERS ALREADY MADE BY JAPAN. BARREDA NOTED CANNED CLAM ITEM WAS PROBABLY MFN PROBLEM AND HE WOULD LOOK INTO IT AFTER HE RETURNED TO WASHINGTON.

5. CITRUS. DISCUSSION WAS BRIEF AND MAINLY CONSISTED OF CONFIRMATION OF UNDERSTANDING OF JULY 10 IN GENEVA. MAFF STRESSED THAT HANDLING OF QUOTA FOR APRIL AND MAY EXTREMELY SENSITIVE. BARREDA NOTED THAT IN COURSE OF OUR FINAL NEGOTIATIONS ON QUOTA IN MTN, WE MUST ALSO COME TO AGREEMENT ON DISCUSSION OF CITRUS QUOTA IN GATT FRAMEWORK LATER ON.

6. BEEF. MAFF'S UNDERSTANDING OF OUR REQUEST AS OUTLINED IN GENEVA WAS FOR AN ADDITIONAL 10,000 TONS. BARREDA EXPLAINED AND MAFF OFFICIALS SAID THEY NOW UNDERSTAND THAT REQUEST IS FOR TOTAL OF 14,000 TONS AS FOLLOWS: DOUBLING OF HOTEL QUOTA TO 6,000 TONS WITH 25 PERCENT ANNUAL GROWTH FACTOR FROM 1980 FOR FOUR YEARS (I.E., INCREMENTS OF 3,000 AND 6,000 TONS) AND 5,000 TONS OF THE INCREASE IN GENERAL QUOTA WHICH IS TO GO TO 130,000 TONS BY 1980. LIVESTOCK BUREAU SENIOR COUNSELOR SEKIYA SAID EVEN 3,000 TON HOTEL QUOTA WAS DIFFICULT TO FILL AND SAID INCREASES IN GENERAL QUOTA WOULD BE PREFERRED. BARREDA REPLIED THAT U.S. INTEREST IS IN TONNAGE INCREASE IN JAPANESE IMPORT OF HIGH QUALITY BEEF AND THAT U.S. HAD REQUESTED BULK OF INCREASE WITHIN FRAMEWORK OF HOTEL QUOTA BECAUSE OF GOJ'S SENSITIVITIES ABOUT ITS RELATIONS WITH OTHER BEEF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TOKYO 14393 02 OF 03 100700Z

EXPORTING COUNTIES.

7. PORK, POULTRY AND EGGS. SEKIYA EXPLAINED TARIFF CUT FOR PORK WOULD PUSH PRICE BELOW SUPPORT FLOOR AND THAT CUT WAS THEREFORE IMPOSSIBLE. BARREDA RESPONDED THAT HE COULD NOT ACCEPT CONCEPT THAT EXISTENCE OF SUPPORT PRICE SYSTEM RULES OUT NEGOTIATIONS ON TRADE BARRIERS. SEKIYA NOTED THAT THERE IS OVERPRODUCTION CURRENTLY OF POULTRY AND EGGS AND THAT GOJ IS INTRODUCING PRODUCTION CONTROLS BY FREEZING NUMBER OF HENS AT CURRENT LEVEL, AND NO CONCESSIONS TO U.S. POSSIBLE. BARREDA POINTED OUT THAT FOR ALL THREE PRODUCTS WE ARE TALKING LONG TERM AND THAT WE CANNOT BASE TRADE NEGOTIATIONS ON SHORT TERM MARKET SITUATION.

8. FOREST PRODUCTS. DISCUSSION FOLLOWED FAMILIAR LINES. MAFF OFFICIAL SAID TARIFF ON GENUS PINUS AND OTHERS STILL SUBJECT TO TARIFF CANNOT BE CUT BECAUSE PRODUCERS IN HOKKAIDO AND A FEW OTHER AREAS CAN GROW NOTHING ELSE AND TARIFF PROTECTION VITAL IF THEY ARE TO SURVIVE. ALSO AGREEMENT TO CUT TARIFF WOULD TRIGGER PROTEST ON DOMESTIC TIMBER TAX OF 2 TO 3 PERCENT WHICH IS NOT APPLIED TO IMPORTS. HE NOTED THAT DOMESTIC DEMAND FOR LUMBER WEAK AND THAT INDUSTRY IS UNDER STRESS. BEST EFFORTS OF GOJ TO STIMULATE HOUSING INDUSTRY HAVE ONLY BEEN ABLE TO HOLD IT AT LEVEL OF 1.5 MILLION STARTS OVER PAST TWO YEARS WHILE IT WAS 1.9 MILLION PREVIOUSLY. NO REDUCTION IN TARIFF IS POSSIBLE, HE SAID.

9. FISH. PROBLEM OF 200 MILE ZONES HAS REDUCED CATCH AND FORCED REDUCTION OF FISHING FLEET. FISHERMEN WHO REMAIN IN BUSINESS REQUIRED PAY COMPENSATION TO THOSE WHO HAVE BEEN FORCED OUT AND ARE CURRENTLY EXPERIENCING AVERAGE ANNUAL LOSSES OF 10 MILLION YEN INSTEAD OF PROFITS OF 20 MILLION YEN. FISH PRICES MUST RISE IF THEY ARE TO SURVIVE AND THUS NO CONCESSIONS ARE POSSIBLE. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 TOKYO 14393 02 OF 03 100700Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 TOKYO 14393 03 OF 03 100700Z
ACTION STR-07

INFO OCT-01 EA-10 IO-13 ISO-00 STRE-00 AGR-01 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 /125 W

-----023467 100741Z /11

R 100618Z AUG 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 0255
INFO USMISSION GENEVA

LIMITED OFFICIAL USE SECTION 03 OF 03 TOKYO 14393

10. THIS CABLE PREPARED AFTER ASST. STR BARREDA'S
DEPARTURE. HE IS HANDCARRYING COPIES OF DOCUMENTS
PRESENTED AT MEETING. MAFF HAS PROMISED PROVIDE FULL
WRITE UP OF "EXPLANATIONS" MADE AT MEETING. MANSFIELD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURE, TRADE, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TOKYO14393
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780327-0356
Format: TEL
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780876/aaaacsly.tel
Line Count: 296
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 65b85b65-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 194228, 78 TOKYO 14361
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1774383
Secure: OPEN
Status: NATIVE
Subject: STATUS OF GOJ MTN OFFERS IN AGRICULTURE
TAGS: EAGR, JA, US, MTN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/65b85b65-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014